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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5588
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 1282
RUEHBY/AMEMBASSY CANBERRA 0097
RUEHKA/AMEMBASSY DHAKA 4430
RUEHLO/AMEMBASSY LONDON 1889
RUEHNE/AMEMBASSY NEW DELHI 3686
RUEHUL/AMEMBASSY SEOUL 7195
RUEHTC/AMEMBASSY THE HAGUE 0576
RUEHKO/AMEMBASSY TOKYO 4776
RUEHCI/AMCONSUL CALCUTTA 1010
RUEHCN/AMCONSUL CHENGDU 1009
RUDKIA/AMCONSUL CHIANG MAI 0792
RUEATRS/DEPT OF TREASURY WASHDC
RUEHGV/USMISSION GENEVA 2994
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 0657
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000046

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STATE FOR EAP/MLS; PACOM FOR FPA, TREASURY FOR OASIA:AJEWELL

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TAGS: [ECON](#) [PGOV](#) [BM](#)

SUBJECT: TREADING CAREFULLY, BUSINESSMAN SURVIVES WITH
INTEGRITY

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Classified By: Econoff TLManlowe for Reason 1.4 (b,d)

¶1. (SBU) Summary: To survive in Burma's unpredictable, unfair and complicated business environment, local business reps must stay flexible and well informed. Dr. Maung Maung Lay is an unusual example of a respected business leader who is accepted by regime leaders, even though he criticizes their policies. Maung Maung Lay participates in government-controlled commercial activities as necessary for his business, but has maintained his integrity and used the press to gently chide the GOB and complain about restrictive policies. End summary.

¶2. (U) A medical doctor who worked in clinics from 1976-1988, Dr. Maung Maung Lay, 56, no longer has an active practice, but offers free medical consultations to anyone who requests it. From 1976 to 1992, Maung Maung Lay was a consultant for multinational (including American) pharmaceutical firms, and in 1993 opened his own company, Ni Lay Naing, Co., to import and distribute pharmaceutical products. His was one of only ten companies nationwide that imported medicines from overseas.

¶3. (SBU) On December 19, Maung Maung Lay launched a line of herbal medicinal products, made from Burmese herbs and prepared according to Chinese recipes in his own factory. Six years ago, he told us, the GOB prohibited local firms from making any Western-type over-the-counter drugs, because they "were not up to Burmese standards." He wanted a supplement to his import business because of the cost, unpredictability and expense of the import license process.

¶4. (U) In 1999, Maung Maung Lay became Chairman of the Myanmar Pharmaceutical and Medical Equipment Entrepreneurs

Association and a member of the Central Executive Committee of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). In 2001, he became Joint Secretary (1) of the UMFCCI. He has acted as an interpreter for the Deputy Minister of Commerce on two visits to Vietnam. He is on the Board of Directors of the Greater Mekong Subregion Business Forum and is a member of the East-West Economic Corridor effort. He also sits on the ASEAN Business Advisory Committee and the ASEAN Standardization Committee. He accompanied the Prime Minister the past two years to Nanning, China and made a presentation on "Investment Opportunities in the Golden Land." He decided not to travel with the business delegation in 2006.

15. (C) Maung Maung Lay has regularly expressed his frustration with the current government to us. He claims to be one of the few business reps in the Chamber who pay no bribes and ask no favors from government officials. He can survive, he said, but it is difficult when corruption is so widespread and payoffs are expected at every step. He said he uses every opportunity to pass information to the government to improve the business situation. Maung Maung Lay has developed good relations with reporters from the popular independent journals and the Myanmar Times. He communicates with the government through the media by offering suggestions and reporting the problems caused by government interference and control in major economic sectors. He is frequently quoted in the press, but says he is careful to craft his message in a way that will pass the censors. He said he believes the regime has started to listen, and made minor changes in response to complaints, such as allowing account transfers between importers and exporters.

16. (C) "The government is bad and business is bad," he said, "but what to do? I want to bring good medicines into the country, but the import permit process makes it too hard to

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operate successfully." Maung Maung Lay uses the Chamber of Commerce to meet people and interact with the government officials assigned to lead the Chamber. "This way, I don't have to play golf to talk with government officials, like others do," he said. He used the opportunity he had as translator to pass his own messages to the Deputy Minister. Business reps have little choice but to follow the rules set by the government, he said, even though they don't agree. He will give up his positions in the ASEAN Business Advisory Committee and in the Chamber of Commerce promotion delegations, he said, because they demand a lot of time and provide little benefit. "I will concentrate on my own business survival, for myself and my family," he said.

17. (SBU) Comment: Through his work with Western corporations and his international travels, Maung Maung Lay has been exposed to the world outside of the control of Burma's ruling generals. He is a sensible man who uses his comfortable position in Rangoon's business community to highlight problems caused by the regime, but in a way that does not threaten. He enjoys good relations with foreigners, shares information freely and offers reasonable criticism of regime policies. His children are both in New York. His son is in his final year at SUNY, and his daughter, who also studied in the US, now works at UN headquarters. Maung Maung Lay has achieved some success without becoming beholden to the regime, and he uses that position to encourage change. He is a business leader who could successfully transition to a more open regime. End comment.
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